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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
OAKLAND DIVISION

UNITED STATES OF AMERICA,)	CASE NO. 4:19-cv-04281 KAW
)	
Plaintiff,)	STATUS REPORT
)	
v.)	
)	
BTC-e, a/k/a CANTON BUSINESS CORP.,)	
)	
and)	
)	
ALEXANDER VINNIK,)	
)	
Defendants.)	

Plaintiff United States of America (“United States”) respectfully submits this status report pursuant to the Court’s Status Report Order dated March 10, 2025, which ordered the United States to file a status report by March 26, 2025. ECF No. 44. The Court previously stayed this civil action against defendants Alexander Vinnik (“Vinnik”) and BTC-e “pending the resolution of [] Vinnik’s criminal proceeding, *United States v. Vinnik*, 16-cr-00227-SI,” and ordered the United States to provide periodic status reports “regarding the status of the criminal proceeding until that matter is resolved.” ECF No. 39 at 2.

In its last status report, dated October 10, 2024, the United States reported that Vinnik had entered into a written Plea Agreement pursuant to Federal Rules of Criminal Procedure 11(c)(1)(A) and 11(c)(1)(B) on May 3, 2024, pleading guilty to money laundering conspiracy in violation of 18 U.S.C.

1 § 1956(h). *See* ECF No. 43. The district court accepted Vinnik’s guilty plea and scheduled his
2 sentencing for January 17, 2025. *Id.*; *see also* *Vinnik*, No. 16-cr-00227-SI, ECF No. 126.

3 Following the last status report, in November 2024, Vinnik’s sentencing was continued until
4 June 27, 2025. *Id.*, ECF Nos. 130, 131. Thereafter, media reports indicate that in February 2025,
5 Vinnik was part of a prisoner exchange. On February 11, 2025, the United States dismissed the criminal
6 case against Vinnik, *id.*, ECF No. 140, and Vinnik was released from the custody of the U.S. Marshals
7 Service. *Id.*, ECF No. 142. Accordingly, Vinnik’s criminal proceeding is now resolved, and this Court
8 may lift its stay of this civil action.

9 As the United States previously reported, *see* ECF No. 38, once the Court lifts its stay of this
10 civil action, the United States reserves the right to move for default judgment against Vinnik and BTC-e.
11 As background, the United States completed service abroad on BTC-e and Vinnik on November 18,
12 2021. ECF No. 29; ECF Nos. 29-1–3 (proofs of service). BTC-e and Vinnik failed to timely respond to
13 the complaint within twenty-one (21) days of the date of service, i.e., by December 9, 2021, or at any
14 time thereafter. *See* ECF No. 31; Fed. R. Civ. P. 12(a)(1)(A)(i); *see also* Dkt. Accordingly, on July 18,
15 2022, the United States requested that the Clerk of Court enter default of BTC-e and Vinnik, ECF Nos.
16 32–33, and the Clerk entered default of BTC-e and Vinnik the following day. ECF Nos. 34–35.

17 Thereafter, the Court ordered the United States to file either “a motion for default judgment or, in
18 the alternative, a status report explaining when the Government expects to file such a motion and the
19 reason for the delay.” ECF No. 36. The United States submitted a status report explaining that on
20 August 4, 2022, before the United States filed a motion for default judgment, Vinnik was extradited to
21 the United States. *See* ECF No. 38. While it had already completed service, *see* ECF Nos. 29, 29-1–3,
22 the United States re-served BTC-e and Vinnik on October 5, 2022 by personally serving Vinnik with all
23 documents at the Santa Rita Jail in Dublin, California. *See* ECF No. 38. The following day, the United
24 States emailed courtesy copies to Assistant Federal Public Defender David Rizk, who was representing
25 Vinnik in the criminal proceeding. ECF No. 38. Mr. Rizk advised that he had sent a letter to the Court
26 conveying that Vinnik had received the above-referenced documents and was requesting that this civil
27 action be “delayed” until his criminal case was resolved. *Id.*; *see also* ECF No. 37 (Mr. Rizk’s letter to
28 the Court). On October 14, 2022, the United States notified the Court that it was amenable to a stay of

1 this civil action while active criminal proceedings against Vinnik were ongoing, but that it reserved the
2 right to file the motion for default judgment against BTC-e and Vinnik if, following the lifting of the
3 stay, they failed to respond to the complaint within twenty-one (21) days of the date of re-service
4 (October 5, 2022), not including the period of time the action was stayed. *See* ECF No. 38.

5 Accordingly, and given that the Clerk's entry of default of BTC-e and Vinnik remains proper
6 given their failure to timely respond to the complaint after being served abroad on November 18, 2021,
7 ECF Nos. 34–35, the United States reserves its right to move for default judgment, pending internal
8 approvals, against BTC-e and Vinnik if they again fail to respond to the United States' complaint within
9 twenty-one (21) days of the date of re-service on October 5, 2022, not including the time the action was
10 stayed — i.e., within nine (9) days of any Court order lifting the stay. *See* Fed. R. Civ. P. 12(a)(1)(A)(i).

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12
13 Respectfully submitted,

14 PATRICK D. ROBBINS
15 Acting United States Attorney

16 Dated: March 26, 2025

17 By: /s/ Savith Iyengar
18 SAVITH IYENGAR
19 Assistant United States Attorney
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